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5 UNITED STATES DISTRICT COURT  
6 WESTERN DISTRICT OF WASHINGTON  
7 AT TACOMA

8 JEAN PIERRE REY and ILZE  
9 SILARASA,

10 Plaintiffs,

11 v.

12 MICHEL REY, et al.,

13 Defendants.

CASE NO. C14-5093 BHS

ORDER GRANTING PLAINTIFFS'  
MOTION FOR TEMPORARY  
RESTRAINING ORDER IN PART,  
RESERVING RULING IN PART,  
AND SETTING HEARING

14 This matter comes before the Court on Plaintiffs Jean Pierre Rey and Ilze  
15 Silarasa's ("Plaintiffs") motion for temporary restraining order (Dkt. 126).

16 On January 31, 2014, Plaintiffs filed a complaint against Defendants Builders  
17 Surplus Northwest Inc., Nevawa, Inc., Michel Rey, Renee Rey, US Growing Investments  
18 Inc., US Investment Group Corporation, and Visitrade, Inc. ("Defendants") alleging  
19 numerous causes of action. Dkt. 1.

20 On March 13, 2014, Plaintiffs filed a motion for appointment of a receiver for the  
21 Defendant corporations and for the personal property in the possession of the individual  
22 Defendants. Dkt. 19. On April 10, 2014, the Court denied the motion concluding in part

1 that “Plaintiffs have failed to show that any property is in imminent danger of being lost  
2 or squandered.” Dkt. 41 at 3. The Court also ordered Defendants to show cause why  
3 certain conditions that the parties appeared to agree on should not be imposed “as  
4 protection for Plaintiffs’ concerns regarding the corporations or personal property while  
5 this matter proceeds.” *Id.* at 4. On May 2, 2014, Defendants responded stating that the  
6 parties agreed to certain conditions with the exception of whether corporate assets may be  
7 used to pay Defendants’ attorneys’ fees. Dkt. 45. On May 28, 2014, the Court entered  
8 Defendants’ proposed order imposing the following conditions:

- 9 1. Defendants shall, by the twentieth day of each month, provide Plaintiffs with  
10 financial statements for the preceding month for each of the corporate  
11 Defendants. These financial statements shall include: (a) a Balance Sheet, (b) a  
12 Profit and Loss Statement, and (c) a Cash Flow Statement. These statements  
13 shall be certified as true and accurate by Michel Rey and Bryan Luque.
- 14 2. Defendants shall not further encumber or transfer any of the properties held by  
15 the corporate Defendants without obtaining prior court approval.
- 16 3. Michel Rey may continue to take his normal salary of \$4,000 for his work in  
17 management of the corporate Defendants. Beyond this amount, Michel Rey  
18 shall take no personal distributions from the corporate Defendants without  
19 prior court approval.
- 20 4. Defendants may use their assets to pay for attorneys’ fees and costs incurred  
21 for the defense of this litigation, provided that the aggregate amount of such  
22 fees and costs shall be shown in the financial statements provided each month  
to Plaintiffs.
5. The parties shall be allowed to revisit the conditions just enumerated with the  
Court at any time by filing a Motion requesting appropriate relief.

18 Dkt. 50 at 1–2.

19 On June 2, 2014, the Court granted Defendants’ motion to dismiss and entered  
20 judgment two days later. Dkts. 51, 52.

21 On June 27, 2014, Plaintiffs filed a notice of appeal. Dkt. 67. On April 14, 2015,  
22 the Ninth Circuit granted Plaintiffs’ motion for stay or injunction pending appeal and

1 imposed the same conditions as the Court “pending further order of [the Ninth Circuit].”  
2 Dkt. 101. On April 20, 2014, the circuit approved Defendants’ motion to engage in some  
3 business transactions and imposed the previous conditions on the resulting assets. Dkt.  
4 102. On December 8, 2015, the circuit summarily approved additional transactions. Dkt.  
5 104.

6 On December 20, 2016, the circuit affirmed in part, reversed in part, and  
7 remanded. Dkt. 106. On February 3, 2017, the circuit issued its mandate. Dkt. 109.

8 On June 2, 2017, Plaintiffs filed the instant motion for a temporary restraining  
9 order alleging that Defendant Michel Rey (“Michel”) has been transferring assets of the  
10 Defendant corporations to properties and holding companies in Costa Rica. Dkt. 126.  
11 While Plaintiffs do not submit evidence explicitly showing that Michel has transferred  
12 assets of the defendant corporations, one document establishes that Michel obtained at  
13 least some of the funds used to purchase a property in Costa Rica via the sale of the Best  
14 Western hotel in Chehalis, Washington. Dkt. 127-1 at 12. This transaction was approved  
15 and regulated by the Ninth Circuit’s order. *See* Dkt. 104.

16 On June 5, 2017, Michel responded. Dkt. 130. Michel argues that, once the Ninth  
17 Circuit mandate issued, neither this Court’s nor the Ninth Circuit’s injunctions were in  
18 effect to regulate the assets of the defendant corporations. *Id.* at 4–5. Without regulation  
19 by the courts, Michel asserts that he was free to “re-invest” the proceeds from the  
20 approved transactions. *Id.* While there is a dearth of authority for this proposition, it  
21 would seem that, after the mandate of reversal issued, the parties would be in the exact  
22 same position they were in before this Court entered judgment. Regardless, Plaintiffs are

1 rightfully concerned about the reinvestment of corporate assets into offshore personal  
2 accounts, which is what at least one document appears to establish. *See* Dkt. 127-1 at 8–  
3 15. Therefore, the Court **ORDERS** as follows:

4 1. A hearing on Plaintiffs’ motion is set for 9:00 AM on June 14, 2017. The  
5 parties should be prepared to discuss whether the Court’s previous order regulating the  
6 assets of the defendant corporations (Dkt. 50) remains in effect, and, if it does not,  
7 whether a new, similar order should issue.

8 2. Plaintiffs’ motion is **GRANTED in part** and Defendants shall provide  
9 Plaintiffs with financial statements for the preceding month for each of the corporate  
10 Defendants. These financial statements shall include: (a) a Balance Sheet, (b) a Profit and  
11 Loss Statement, and (c) a Cash Flow Statement.

12 3. The Court reserves ruling on the remainder of Plaintiffs’ motion.

13 **IT IS SO ORDERED.**

14 Dated this 7th day of June, 2017.

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17 BENJAMIN H. SETTLE  
United States District Judge

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